



GARY R. HERBERT
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GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 16, 2011

Denison Mines(USA) Corporation
1050 17th Street, Suite 950
Denver, Colorado 80265

Subject: Second Review of Notice of Intention to Commence Large Mining Operations, Denison Mines, LaSal Mines Complex Mine, M/037/0026, San Juan County, Utah

Dear Ms. Woodward:

The Division of Oil, Gas and Mining has completed a review of your Notice of Intention to Commence Large Mining Operations (NOI) for the La Sal/Snowball/Pandora mine complex, which was received November 9, 2011. The attached comments will need to be addressed before tentative approval may be granted.

Only a few deficiencies remain. We therefore suggest that you submit two complete, clean (redline/strikeout removed) copies of the NOI with a cover letter highlighting where changes have been made. Upon final approval, the Division will stamp both copies approved and return one to you for your records.

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me at 801-538-5261 or Tom Munson at 801-538-5321. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:tm:eb

Attachment: Review

cc: Rebecca_doolittle@blm.gov
Joelnowak@fs.fed.us

P:\GROUPS\MINERALS\WP\M037-SanJuan\M0370026-LaSalSnowballMines\Final\REV2-3848-7132011.doc

**SECOND REVIEW OF NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Denison Mines
La Sal Mines Complex**

**M/037/0026
August 16, 2011**

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Com ment #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
1		Please include a geology map or refer to Figures 3-1 and 3-2 in appendix H under section 106.8.	LH	

R647-4-106 - Operation Plan

General Operation Comments

Com ment #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
2		Commit in the text to follow MSHA safety for explosives and commit in the text to include public safety considerations when blasting.	LH	

106.8 - Depth to groundwater, extent of overburden, geology

Comm ent #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
3		Include narrative on geology under 106.8.	LH	

109.4 - Slope stability, erosion control, air quality, safety

Second Review
Page 3 of 3
M/037/0026
August 16, 2011

Com ment #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n
4	Pg 29	Include the maximum slope angles for stockpiles and dumps. Commit in the text to maintain a minimum FOS (Factor of Safety) for slope stability (site-specific FOS) and commit to maintain the FOS if geologic factors and/or the phreatic surface changes.	LH	

R647-4-113 – Surety

Comm ent #	Sheet/Pag e/ Map/Tabl e #	Comments	Initia ls	Revie w Actio n																
5	Bonding worksheet Total or summary sheet	<table><tr><td colspan="2">Please include the following indirect costs in the bond calculations:</td></tr><tr><td>Indirect Costs</td><td></td></tr><tr><td>Mob/Demob</td><td>10.0%</td></tr><tr><td>Contingency</td><td>5.0%</td></tr><tr><td>Engineering Redesign</td><td>2.5%</td></tr><tr><td>Main Office Expense</td><td>6.8%</td></tr><tr><td>Project Management Fee</td><td>2.5%</td></tr><tr><td>Subtotal Indirect Costs</td><td>26.8%</td></tr></table>	Please include the following indirect costs in the bond calculations:		Indirect Costs		Mob/Demob	10.0%	Contingency	5.0%	Engineering Redesign	2.5%	Main Office Expense	6.8%	Project Management Fee	2.5%	Subtotal Indirect Costs	26.8%	whw	
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Project Management Fee	2.5%																			
Subtotal Indirect Costs	26.8%																			
6	Earthwork Sheet	The earthwork sheets were designed to be used with costs from Blue Book. The information in the earthwork sheets appears to use information from RS Means. The Division will allow this, but the demolition worksheet should be modified so the RS Means costs can be directly incorporated into the worksheets. Please contact Wayne Western at 801 538-5263 with any questions.	whw																	